

**EXHIBIT B**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
**EVART ENTERPRISES, INC.,**

**Plaintiff,**

06 CV 13207 (DLC)

**-versus-**

**GENTLEMEN'S VIDEO, INC., MICHAEL  
ESPOSITO, individually and in his corporate  
capacity, SCOTT ESPOSITO, individually and  
in his corporate capacity, RIGHT ASCENSION,  
INC., DATA CONVERSIONS, INC., ABSTINENCE  
NOW LIMITED INC., EAST MEDIA GROUP, INC.  
and VIHARA VIDEO, INC.,**

**Defendants.**

-----X

**SETTLEMENT AGREEMENT**

This Settlement Agreement (the "Agreement") is made and entered into by Plaintiff EVART ENTERPRISES, INC. ("EVART"), and Defendants GENTLEMEN'S VIDEO, INC., MICHAEL ESPOSITO, individually and in his corporate capacity, and SCOTT ESPOSITO, individually and in his corporate capacity (hereinafter collectively referred to as "GENTS"). (EVART and GENTS are sometimes referred to collectively as the "Parties").

WHEREAS, on November 14, 2006, Plaintiff filed a Summons and Complaint seeking damages and injunctive relief for copyright infringement arising out of GENTS' creation, licensing and sale of two motion pictures entitled "The Golden Age of Porn: Annie Sprinkles Volume 1" and "The Golden Age of Annie Sprinkles Volume 2" (hereinafter "Gents' Motion Pictures"); and

WHEREAS, EVART thereafter caused the Summons and Complaint to be served on GENTS. EVART did not cause service to be made on any other Defendant; and

WHEREAS, GENTS subsequently appeared by and through the law firm of Zane and Rudofsky; and

WHEREAS, the Parties have agreed that, to avoid the burden and expense of litigation, it is in their respective best interests to enter into this Agreement to settle and resolve all outstanding claims by way of compromise.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. GENTS will pay to EVART the sum of Seventy Five Thousand Dollars (\$75,000.00). GENTS shall pay EVART \$10,000.00 upon execution of this Agreement. Within thirty (30) days of the execution of this Agreement, GENTS shall pay EVART \$17,000.00. Thereafter, GENTS shall make twenty-four (24) monthly payments of \$2,000 each. GENTS shall deliver each such monthly payment by the fifteenth (15<sup>th</sup>) day of the month in which it is due. GENTS may, but shall not be required to, prepay any of the monthly installment payments required herein. All payments shall be made by certified check or wire transfer.

2. The Parties agree to the entry of a Consent Order and Permanent Injunction ("the Consent Order and Permanent Injunction") in the form annexed hereto as Exhibit "A." The Consent Order and Permanent Injunction shall be presented to the Court following the execution of this Agreement and EVART's receipt of the \$10,000.00 first payments set forth in Paragraph "1" of this Agreement.

3. The Parties agree that they will not appeal the Consent Order and

Permanent Injunction entered pursuant to this Agreement and the Parties hereby waive all rights to appeal therefrom.

4. GENTS permanently relinquishes all right, title and interest it may claim in Gents' Motion Pictures as of the date hereof.

5. EVART will execute the Release annexed hereto as Exhibit "B" and deliver the same to EVART's counsel upon the execution of this Agreement. EVART's counsel shall hold the said Release in escrow pending the receipt by EVART of all payments due pursuant to Paragraph "1" of this Agreement, as the case may be. Upon receipt of all such payments, and provided there are no then-pending claims against GENTS for breach of any provisions of this Agreement, EVART's counsel will release the Release from escrow and deliver same to GENTS' counsel.

6. EVART agrees that so long as GENTS is not in default of its obligations hereunder (inclusive of any cure period), EVART (a) will not serve the Summons and Complaint upon any other Defendant named in the caption herein (the "Other Defendants"), and (b) will forbear from commencing, maintaining, or prosecuting any suit, action or proceeding, alleging any cause of action arising out of the marketing, offering for sale or selling, or otherwise concerning, Gents' Motion Pictures, on any legal theory, against the Other Defendants or any other person or entity with whom GENTS has dealt in respect of Gents' Motion Pictures, except in the event such Other Defendant or any other person or entity to whom GENTS is required to transmit a "Recall Notice" pursuant to the Consent Order and Permanent Injunction (i) willfully fails or refuses to return any copies of Gents' Motion Pictures to GENTS pursuant to such "Recall Notice," or (ii) continues to offer for sale or sell copies of Gents' Motion Picture after receipt by

such Other Defendant or other person or entity of the "Recall Notice."

7. This Agreement shall be binding on and inure to the benefit of the heirs, successors and assigns of the respective Parties hereto.

8. EVART negotiated and entered this Agreement in reliance upon the following representations and warranties made by GENTS, each representation and warranty being integral and material to this Agreement:

- a) GENTS acquired the footage contained in Gents' Motion Pictures in or about June, July or August, 2005. GENTS represents that the only documentation concerning GENTS' acquisition of this footage, of which GENTS is presently aware, is a cancelled check payable to the seller of Gents' Motion Pictures ("Seller") to GENTS. Upon execution of this Agreement, GENTS will disclose the name and last known address of the Seller and provide a copy of said check to EVART's counsel. EVART hereby agrees to forbear from commencing, maintaining, or prosecuting any suit, action or proceeding against the Seller, at any time and upon any legal theory, based upon Seller's sale of the footage to GENTS; and
- b) GENTS sold no more than 2,000 DVDs of the Gents' Motion Pictures; and
- c) GENTS entered into no more than thirteen (13) agreements with third-parties by which GENTS provided copies of Gents' Motion Pictures to those third-parties for the purpose of making GENTS' Motion Pictures available for download via the internet, sometimes

referred to as a "content delivery service" or "internet based subscription video service" and also commonly known as "video on demand service" ("VOD"); and

- d) The total number of VOD downloads of Gents' Motion Pictures was no more than approximately 325; and
- e) GENTS has cancelled each and every VOD agreement concerning Gents' Motion Pictures and has provided EVART's counsel with documentation verifying each cancellation; and
- f) Upon execution of this Agreement, GENTS will give EVART access, access on reasonable notice, during regular business hours, to the sales records of GENTS for the purpose of EVART compiling a list of all commercial entities who purchased DVDs of Gents' Motion Pictures along with those who entered into VOD agreements with GENTS concerning Gents' Motion Pictures;
- g) Gents Motion Pictures were duplicated by GENTS and, in addition, replicated by Replitech Inc., 7050 Valjean Ave, Van Nuys, CA 91406 ("Replitech"). EVART hereby agrees to forbear from commencing, maintaining, or prosecuting any suit, action or proceeding against Replitech, at any time and upon any legal theory, based the replication of Gents' Motion Pictures for GENTS; and
- h) GENTS' gross revenues for all sales and/or licenses of Gents' Motion Pictures did not exceed \$14,500.

9. GENTS represents that, to the best of its knowledge, information and

belief after due and diligent search of its records and inventory, it is not in possession of any inventory of Gents' Motion Pictures. Should GENTS hereafter discover any of Gents' Motion Pictures among its inventory, or should any of GENTS' customers return any of Gents' Motion Pictures to GENTS pursuant to the "Recall Notice" required by the Consent Order and Permanent Injunction, GENTS shall ship or caused to be shipped to EVART any inventory of Gents' Motion Pictures within thirty (30) days of GENTS' discovery of such inventory in its possession or receipt of such returned inventory from customers, as the case may be..

10. MICHAEL ESPOSITO and SCOTT ESPOSITO shall execute Affidavits of Acknowledgement of Liability and Right to Enter Judgment Without Further Notice in the forms attached hereto as Exhibit "C" (the "Affidavits.") The Affidavits shall be held in escrow by EVART's counsel pending GENTS' full compliance with all provisions of this Agreement. Upon GENTS payment of all sums due to EVART pursuant to Paragraph "1" of this Agreement, and provided there is then no claim by EVART pending based upon any alleged material breach of any non-financial term of this Agreement, EVART's counsel shall release the Affidavits from escrow and return them to GENTS' counsel.

11. (a) In the event that GENTS materially breaches this Agreement, including but not limited to by failing to ship its and its customers' inventory of Gents' Motion Pictures to EVART, or by failing to deliver any of the payments called for in this Agreement, EVART's counsel shall give GENTS notice of such default by (i) email to the e-address designated by GENTS' counsel, with the subject shown as "NOTICE OF DEFAULT", and (ii) - transmittal of a hard copy of such notice to GENTS' counsel,

Edward S. Rudofsky, Esq., Zane and Rudofsky, 601 West 26<sup>th</sup> Street, Suite 1111, New York, New York, 10001, by priority overnight delivery via U.S. Express Mail, FedEx, DHL, UPS or other reputable overnight delivery service. GENTS' counsel hereby designates erudofsky@zrlex.com as the aforesaid email address. The e-address and name and address of counsel to whom such notice of default may be transmitted may be changed by GENTS from time-to-time, by notice given in the manner set forth below.

(b) In the event of GENTS' default, and after EVART's counsel has given notice of default as pursuant to Paragraph 11(a), and if the default is not cured within five (5) business days thereof, EVART may, without further notice, enter Judgment, through use of the Affidavits, against GENTLEMEN'S VIDEO, INC., MICHAEL ESPOSITO and/or SCOTT ESPOSITO, jointly and severally, in a sum equal to two (2) times the amount then due to EVART pursuant to this Agreement (i.e, the sum of \$75,000 minus any payments made by GENTS hereunder to that date), or the sum of \$10,000, whichever is greater (the "Default Amount"), plus statutory interest on the Default Amount calculated from the date of this Agreement to the date of entry of Judgment.

12. This Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter, and there have been no representations or promises not expressly set forth herein made by any party hereto to induce any other party to enter into this Agreement, or to stipulate to entry of the Consent Order and Permanent Injunction provided for herein. The Parties have relied upon counsel of their choosing in entering this Agreement.

13. This Agreement shall be governed by and construed in accordance with



the laws of the State of New York. Any action to enforce or contest any of the rights or remedies hereunder shall be brought only in the United States District Court, Southern District of New York and GENTS consents to the exclusive jurisdiction of said Court for that purpose. In the event that any legal action or proceeding is initiated to enforce or interpret the provisions of this Agreement or of the Consent Order and Permanent Injunction to be entered pursuant hereto, the prevailing party in any such action or proceeding shall be entitled to recover, in addition to any other relief awarded, its costs, including reasonable attorneys' fees.

14. Each person executing this Agreement on behalf of the parties hereto expressly warrants and represents that he or she is fully empowered to act on behalf of, and to bind, the party on whose behalf he or she is purporting to act.

15. This Agreement constitutes the entire agreement and understanding between the parties and supersedes all prior discussions, representations and negotiations relating to the subject matter herein.

16. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation on that party's right to subsequently enforce and compel strict compliance with every provision hereof. No provision of this Agreement may be amended or waived without a prior written agreement signed by the Company and Recipient.

17. Should any provision of this Agreement be held invalid or unenforceable for any reason, all remaining provisions shall continue to be valid and enforceable. The unenforceable provision shall be construed or modified, if possible, to render it enforceable.

18. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute together one and the same document.

19. To be effective, any notice hereunder must be given in writing and transmitted to the party or attorney to whom notice is intended to be given (a) in the manner specified in this Agreement, or (b) if no manner is specified, by U.S. Express Mail, FedEx, DHL, UPS or other reputable overnight delivery service.

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement by themselves or through their duly authorized representatives as of the day and year first above written.

Dated: New York, New York  
January 30, 2007

**QUIRK and BAKALOR, P.C.**

By: 

H. Nicholas Goodman, Esq. (HG7446)

Attorneys for the Plaintiff

EVART ENTERPRISES INC.

845 Third Avenue

New York, New York 10022

(212) 319-1000

*Plaintiff:*

**EVART ENTERPRISES INC.**

By: 

Name: ARTHUR BROWN

Title: PRESIDENT

**ZANE AND RUDOFISKY**

By: Edward S. Rudofsky  
Edward S. Rudofsky, Esq. (D) ERO 9037

Attorney for Defendants

GENTLEMEN'S VIDEO, INC., MICHAEL ESPOSITO, individually  
and in his corporate capacity, SCOTT ESPOSITO, individually  
and in his corporate capacity  
601 West 26<sup>th</sup> Street  
New York, New York 10001  
(212)245-2222

*Defendants:*

**GENTLEMEN'S VIDEO**

By: Michael Esposito  
Name: Michael Esposito  
Title: President

**MICHAEL ESPOSITO**

By: Michael Esposito  
**Michael Esposito**

**SCOTT ESPOSITO**

By: Scott Esposito  
**Scott Esposito**

**EXHIBIT A**

**CONSENT ORDER AND PERMANENT INJUNCTION**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
EVART ENTERPRISES, INC.,

Plaintiff,

-versus-

06 CV 13207 (DLC)

GENTLEMEN'S VIDEO, INC., MICHAEL  
ESPOSITO, individually and in his corporate  
capacity, SCOTT ESPOSITO, individually and  
in his corporate capacity, RIGHT ASCENSION,  
INC., DATA CONVERSIONS, INC., ABSTINENCE  
NOW LIMITED INC., EAST MEDIA GROUP, INC.  
and VIHARA VIDEO, INC.,

Defendants.

-----X

CONSENT ORDER AND PERMANENT INJUNCTION

The Court, having read and considered the Settlement Agreement (the "Agreement"), duly executed by Plaintiff EVART ENTERPRISES, INC. ("EVART"), and Defendants GENTLEMEN'S VIDEO, INC., MICHAEL ESPOSITO, individually and in his corporate capacity, and SCOTT ESPOSITO, individually and in his corporate capacity (collectively referred to herein as "GENTS"), and good cause appearing, hereby ORDERS AND DECREES:

1. Defendants, GENTLEMEN'S VIDEO, INC, its officers and/or directors, including MICHAEL ESPOSITO and SCOTT ESPOSITO, together with their agents, employees, and those acting in concert with them who have actual knowledge of this Consent Order and Permanent Injunction, are hereby permanently enjoined and restrained from doing any of the following:

a. Manufacturing, copying, duplicating, or knowingly selling, renting, distributing, performing or otherwise disposing of any unauthorized videocassette or videodisc copies of "The Golden Age of Porn: Annie Sprinkles Volume 1" and "The Golden Age of Porn: Annie Sprinkles Volume 2;" and

b. Infringing EVART's exclusive rights under copyright with respect to Copyright Registration PA-153-828 for the motion picture titled "Deep Inside Annie Sprinkle;" and

c. Infringing EVART's exclusive rights under copyright in any motion picture duly copyrighted by Plaintiff or for which EVART owns exclusive distribution rights (hereinafter referred to as "Plaintiffs' Motion Pictures").

2. (a) GENTS shall deliver the "Recall Notice" annexed hereto as Exhibit "A" to each and every one of its customers, copy to EVART. GENTS shall serve and file an affidavit of compliance within thirty (30) days hereof;

(b) GENTS shall ship to EVART, freight prepaid, all videodiscs, videotapes, computer files and DVDs of the motion pictures "The Golden Age of Porn: Annie Sprinkles Volume 1" and "The Golden Age of Porn: Annie Sprinkles Volume 2" returned to GENTS by its customers pursuant to the "Recall Notice," along with all such videodiscs, videotapes, computer files and DVDs currently in GENTS' possession (or hereafter discovered by GENTS to be in its possession). Plaintiff may dispose of all such videodiscs, videotapes, computer files and DVDs as it deems appropriate.

(c) Provided and on condition that GENTS discharges its recall obligations pursuant to this Consent Order and Permanent Injunction in good faith, it shall not be held responsible for any act or omission of any of its customers.

3. All claims, counterclaims and other requests for relief in this action are hereby dismissed with prejudice as against Defendants GENTLEMEN'S VIDEO, INC., MICHAEL ESPOSITO, individually and in his corporate capacity, and SCOTT ESPOSITO, individually and in his corporate capacity pursuant to the terms contained herein and the Settlement Agreement dated January 30, 2007, signed and executed between the parties.

4. The Court shall retain jurisdiction of the within action to entertain such further proceedings and to enter such further orders as may be necessary or appropriate to implement and/or enforce the provisions of this Consent Order and Permanent Injunction and Settlement Agreement.

ZANE and RUDOFISKY

QUIRK and BAKALOR, P.C.

By: Edward S. Rudofsky  
Edward S. Rudofsky (ER-9037)  
Attorney for defendants  
GENTLEMEN'S VIDEO, INC.,  
MICHAEL ESPOSITO, individually  
and in his corporate capacity,  
SCOTT ESPOSITO, individually and  
in his corporate capacity  
601 West 26<sup>th</sup> Street  
New York, New York 10001  
(212)245-2222

By: H. Nicholas Goodman  
H. Nicholas Goodman (HG7446)  
Attorney for Plaintiff  
EVART ENTERPRISES INC.  
845 Third Avenue  
New York, New York 10022  
(212)319-1000

James L. ...  
United States District Judge

Dated: February 13, 2007

CLERK OF THE COURT

By: \_\_\_\_\_

Exhibit A to Consent Order & Permanent Injunction  
(Recall Notice)



## **RECALL NOTICE**

Pursuant to an Order of the U.S. District Court for the Southern District of New York, we are hereby **recalling** all copies of **"The Golden Age of Porn: Annie Sprinkles Volume 1"** and **"The Golden Age of Annie Sprinkles Volume 2"** (**"Recalled Movies"**) purchased from us. Certain versions of the Recalled Movies inadvertently contain unlicensed copyrighted material.

Upon receipt of this notice, please immediately ship all copies of the **Recalled Movies** purchased from us, and still in your possession (or hereafter discovered by you to be in your possession), to us, freight postpaid by us, at the following address:

Gentlemen's Video  
21638 Lassen Street  
Chatsworth, CA 91311

We apologize for any inconvenience caused by this Recall and hereby offer to **replace all copies of these movies returned to us, at our expense, with copies of any other movies which we currently offer for sale, at no charge to you.** Please include your order for replacement merchandise together with your shipment to us, and we shall send the replacements to you at our expense.

**Please note that anyone knowingly retaining or selling copies of the Recalled Movies after receipt of this Recall Notice is liable to suit for copyright infringement.**

If you have any questions concerning any aspect of this Recall Notice, please contact Michael or Scott Esposito, or your salesman, at 888-399-9480.

We thank you in advance for your prompt attention to this matter and anticipated cooperation, and look forward to providing you with the finest in adult content material for many years to come.

Gentlemen's Video, Inc.

February 1, 2007

**EXHIBIT B**

**RELEASE**

**RELEASE**

EVART ENTERPRISES INC., as RELEASOR, in consideration of the sum of \$75,000.00, received from GENTLEMEN'S VIDEO, MICHAEL ESPOSITO, individually and in his corporate capacity, and SCOTT ESPOSITO, individually and in his corporate capacity (RELEASEES), receipt whereof is hereby acknowledged, and other good and valuable consideration, *releases and discharges RELEASEES* and their subsidiaries and affiliates, as well as the RELEASEES' successors and assigns, from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, claims, and demands whatsoever, in law or equity, which against the RELEASEES, the RELEASOR, and his/her heirs, executors, administrators, successors and assigns ever-had, now have or hereafter can, shall or may, have for, upon, or by reason of their alleged infringement of EVART's Copyright Registration PA-153-828 as alleged in EVART's Complaint in the action entitled Evart Enterprises, Inc. v. Gentlemen's Video, et al, filed in the United States District Court, Southern District of New York under Index #06 CV 13207 (DLC) from the beginning of time to the date of this Release.

This RELEASE may not be changed orally.

**In Witness Whereof**, the RELEASOR has caused this *RELEASE* to be executed on the 31<sup>st</sup> day of January, 2007.

**EVART ENTERPRISES, INC.**

By: [Signature]  
 Name: ARTHUR MOROWITZ  
 Title: PRESIDENT

**ACKNOWLEDGEMENT**

STATE OF NEW YORK : COUNTY OF NEW YORK : ss.:

On the 31<sup>st</sup> day of JANUARY, 2007, before me, Dominic Curcio, a notary public (or commissioner of deeds) of the State of New York, personally appeared ARTHUR MOROWITZ, whose identity is known or was proved by satisfactory evidence to me and who acknowledged that (s)he executed the foregoing RELEASE in his(her) capacity and by his (her) signature that (s)he executed the same.

[Signature]  
 Notary Public  
 Notary Public, State of New York  
 No. 02CU600832  
 Qualified in Queens County  
 Commission Expires May 10, 2010

**EXHIBIT C**

**AFFIDAVIT OF ACKNOWLEDGEMENT OF LIABILITY AND RIGHT TO  
ENTER JUDGMENT WITHOUT FURTHER NOTICE**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**EVART ENTERPRISES, INC.,**

**Plaintiff,**

**-versus-**

**06 CV 13207 (DLC)**

**GENTLEMEN'S VIDEO, INC., MICHAEL  
ESPOSITO, individually and in his corporate  
capacity, SCOTT ESPOSITO, individually and  
in his corporate capacity, RIGHT ASCENSION,  
INC., DATA CONVERSIONS, INC., ABSTINENCE  
NOW LIMITED INC., EAST MEDIA GROUP, INC.  
and VIHARA VIDEO, INC.,**

**AFFIDAVIT OF  
ACKNOWLEDGEMENT  
OF LIABILITY AND  
RIGHT TO ENTER  
JUDGMENT WITHOUT  
FURTHER NOTICE**

**Defendants.**

STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES )

) ss.:

**MICHAEL ESPOSITO**, being duly sworn, deposes and says:

I am the President of Defendant GENTLEMEN'S VIDEO, INC. and as such I am fully familiar with the facts and circumstances of this matter and am fully empowered to execute this Affidavit of Acknowledgement of Liability and Right to Enter Judgement Without Further Notice on behalf of GENTLEMEN'S VIDEO, INC.

That certain Settlement Agreement dated January , 2007, by and between EVART ENTERPRISES and GENLTEMEN'S VIDEO, MICHAEL ESPOSITO individually and in his corporate capacity and SCOTT ESPOSITO individually and in his corporate capacity (the "Agreement,") is hereby incorporated herein by reference.

In the event of a material breach of the Agreement which has not been cured after due notice thereof, I hereby confess judgment and authorize entry thereof in favor of EVART ENTERPRISES, INC. and against GENTLEMEN'S VIDEO, INC., jointly and severally with MICHAEL ESPOSITO and SCOTT ESPOSITO, in a sum equal to two (2) times the amount then due to EVART ENTERPRISES, INC. pursuant to the Agreement (i.e, the sum of \$75,000 minus any payments made by GENTLEMEN'S VIDEO to that date), or the sum of \$10,000.00, whichever is greater ("Default Amount"), plus statutory interest on the Default Amount calculated from the date of the Agreement to the date of entry of Judgment.

This Affidavit is for a debt justly due to the Plaintiff and arises pursuant to the Agreement.

Pursuant to this Affidavit, Plaintiff may file this Affidavit and an affidavit from an officer of Plaintiff confirming the breach of the Agreement or any default thereof, along with a corresponding Judgment with the Clerk of the United States District Court for the Southern District of New York.

I execute this Affidavit without any undue influence or pressure of any kind and as consideration for the settlement of the action.

Dated: Chatsworth, California  
January , 2007

**GENTLEMEN'S VIDEO**

By: \_\_\_\_\_  
Name: Michael Esposito  
Title: President

Sworn to before me this  
\_\_\_\_ day of January, 2007

\_\_\_\_\_  
*Notary Public*

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**EVART ENTERPRISES, INC.,**

**Plaintiff,**

**-versus-**

**06 CV 13207 (DLC)**

**GENTLEMEN'S VIDEO, INC., MICHAEL  
ESPOSITO, individually and in his corporate  
capacity, SCOTT ESPOSITO, individually and  
in his corporate capacity, RIGHT ASCENSION,  
INC., DATA CONVERSIONS, INC., ABSTINENCE  
NOW LIMITED INC., EAST MEDIA GROUP, INC.  
and VIHARA VIDEO, INC.,**

**AFFIDAVIT OF  
ACKNOWLEDGEMENT  
OF LIABILITY AND  
RIGHT TO ENTER  
JUDGMENT WITHOUT  
FURTHER NOTICE**

**Defendants.**

STATE OF CALIFORNIA     )  
  ) ss.:  
COUNTY OF LOS ANGELES )

**MICHAEL ESPOSITO, being duly sworn, deposes and says:**

I am the President of Defendant GENTLEMEN'S VIDEO, INC. and I am an individual Defendant in this action. As such I am fully familiar with the facts and circumstances of this matter and am fully empowered to execute this Affidavit of Acknowledgement of Liability and Right to Enter Judgement Without Further Notice on behalf of GENTLEMEN'S VIDEO, INC. and myself.

That certain Settlement Agreement dated January , 2007, by and between EVART ENTERPRISES and GENLTEMEN'S VIDEO, MICHAEL ESPOSITO individually and in his corporate capacity and SCOTT ESPOSITO individually and in his corporate capacity (the "Agreement,") is hereby incorporated herein by reference.

after due notice thereof, I hereby confess judgment and authorize entry thereof in favor of EVART ENTERPRISES, INC. and against MICHAEL ESPOSITO, jointly and severally with GENTLEMEN'S VIDEO, INC. and SCOTT ESPOSITO, in a sum equal to two (2) times the amount then due to EVART ENTERPRISES, INC. pursuant to the Agreement (i.e, the sum of \$75,000 minus any payments made by GENTLEMEN'S VIDEO to that date), or the sum of \$10,000.00, whichever is greater ("Default Amount"), plus statutory interest on the Default Amount calculated from the date of the Agreement to the date of entry of Judgment.

This Affidavit is for a debt justly due to the Plaintiff and arises pursuant to the Agreement.

Pursuant to this Affidavit, Plaintiff may file this Affidavit and an affidavit from an officer of Plaintiff confirming the breach of the Agreement or any default thereof, along with a corresponding Judgment with the Clerk of the United States District Court for the Southern District of New York.

I execute this Affidavit without any undue influence or pressure of any kind and as consideration for the settlement of the action.

Dated: Chatsworth, California  
January , 2007

**MICHAEL ESPOSITO**  
individually

By: \_\_\_\_\_  
**Michael Esposito**

Sworn to before me this  
\_\_\_\_ day of January, 2007

\_\_\_\_\_  
*Notary Public*



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**EVART ENTERPRISES, INC.,**

**Plaintiff,**

**-versus-**

**06 CV 13207 (DLC)**

**GENTLEMEN'S VIDEO, INC., MICHAEL  
ESPOSITO, individually and in his corporate  
capacity, SCOTT ESPOSITO, individually and  
in his corporate capacity, RIGHT ASCENSION,  
INC., DATA CONVERSIONS, INC., ABSTINENCE  
NOW LIMITED INC., EAST MEDIA GROUP, INC.  
and VIHARA VIDEO, INC.,**

**AFFIDAVIT OF  
ACKNOWLEDGEMENT  
OF LIABILITY AND  
RIGHT TO ENTER  
JUDGMENT WITHOUT  
FURTHER NOTICE**

**Defendants.**

**STATE OF CALIFORNIA     )  
  ) ss.:  
COUNTY OF LOS ANGELES )**

**SCOTT ESPOSITO, being duly sworn, deposes and says:**

I am the Vice-President of Defendant GENTLEMEN'S VIDEO, INC. and I am an individual Defendant in this action. As such I am fully familiar with the facts and circumstances of this matter and am fully empowered to execute this Affidavit of Acknowledgement of Liability and Right to Enter Judgement Without Further Notice on behalf of GENTLEMEN'S VIDEO, INC. and myself.

That certain Settlement Agreement dated January , 2007, by and between EVART ENTERPRISES and GENLTEMEN'S VIDEO, MICHAEL ESPOSITO individually and in his corporate capacity and SCOTT ESPOSITO individually and in his corporate capacity (the "Agreement,") is hereby incorporated herein by reference.

In the event of a material breach of the Agreement which has not been cured after due notice thereof, I hereby confess judgment and authorize entry thereof in favor of EVART ENTERPRISES, INC. and against SCOTT ESPOSITO, jointly and severally with GENTLEMEN'S VIDEO, INC. and MICHAEL ESPOSITO, in a sum equal to two (2) times the amount then due to EVART ENTERPRISES, INC. pursuant to the Agreement (i.e, the sum of \$75,000 minus any payments made by GENTLEMEN'S VIDEO to that date), or the sum of \$10,000.00, whichever is greater ("Default Amount"), plus statutory interest on the Default Amount calculated from the date of the Agreement to the date of entry of Judgment.

This Affidavit is for a debt justly due to the Plaintiff and arises pursuant to the Agreement.

Pursuant to this Affidavit, Plaintiff may file this Affidavit and an affidavit from an officer of Plaintiff confirming the breach of the Agreement or any default thereof along with a corresponding Judgment with the Clerk of the United States District Court for the Southern District of New York.

I execute this Affidavit without any undue influence or pressure of any kind and as consideration for the settlement of the action.

Dated: Chatsworth, California  
January , 2007

**SCOTT ESPOSITO**  
individually

By: \_\_\_\_\_  
Scott Esposito

Affirmed to before me this  
\_\_\_\_ day of January 2007

\_\_\_\_\_  
Notary Public